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Globalization and its impact on the full enjoyment of all human rights

Report of the Secretary-General**

I. Introduction

1. In its resolution 57/205 of 18 December 2002, the General Assembly took note of the report of the Secretary-General on globalization and its impact on the full enjoyment of all human rights (A/57/205 and Add.1) and requested him to seek further the views of Member States and relevant United Nations agencies and to submit a substantive report on this subject to the Assembly at its fifty-eighth session.

2. Pursuant to that request, on 21 March 2003, the Office of the United Nations High Commissioner for Human Rights (OHCHR) sent a note verbale requesting views on the issue. As at 21 July 2003, OHCHR had received one response, from the Government of Lebanon.

* A/58/150.

** The present report has been submitted late in order to ensure the inclusion of information received from Governments.

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II. Replies received from Governments

Lebanon

[Original: Arabic]
[11 June 2003]

Importance of applying the principle of international and national equity in pursuance of the Declaration on the Right to Development

Introduction

1. The work currently being done by the Office of the United Nations High Commissioner for Human Rights is not the first or only attempt that has been made to address the subjects of development and human rights and the relationship between them, nor is it the first time that the question of equitable development has been raised in its capacity as one of the fundamental components of the contemporary concept of development. However, the purpose of raising these subjects again is to make an earnest attempt to throw light on and develop new elements that can help provide a fuller understanding of the development process. It is these new elements that ought to be given priority in the discussions and contributions of States, international organizations, working groups, experts and the participants in this debate.

2. For our part, our contribution will be to seek to define these new elements and focus as far as possible on setting the boundaries for the debate in order to avoid repetition of well-worn ideas. Our discussion will draw on the report of the independent expert on the right to development, the recommendations issued by the Working Group on the Right to Development at its third session, held in February and March 2002, and the documents produced by the Working Group at its previous sessions.

The right to development

3. The basic subject of the debate is the right to development as defined in particular in the Declaration on the Right to Development, adopted by the General Assembly in its resolution 41/128 of 4 December 1986. The re-examination of the contemporary concept of human development required in the light of the Declaration on the Right to Development will inevitably enrich the concept itself by adding new elements that are not found in it as presently formulated. We refer specifically to the fact that the contemporary concept of human development, which has now been adopted in one form or another by international institutions and which Governments and States are committed to using as inspiration for their work, stresses the importance of the individual as the central object of development and focuses on human rights from the viewpoint of the individual. Even when such concepts as "the social dimension", "social capital" and the like are mentioned, it is with reference to the individual and his or her role within the group or society or, at best, the rights of institutions, groups and social sectors vis-à-vis Governments and national authorities. The prevailing concept of human development makes no direct or de facto reference to the rights of peoples vis-à-vis the international community and, even when it does, it does so only implicitly by calling for an alternative development model that ensures greater international equity.

4. What is distinctive about the Declaration on the Right to Development is the stress it lays on the right to development as a right of peoples first and the individual second. The Declaration regards the right to development as being central to human rights and focuses on the interdependence between economic, social, political and cultural rights.

5. If one views development as a right of peoples, be they individuals or nations, it follows that Governments, the international community and individuals have an obligation to support policies that favour development. Moreover, the rights within this meaning can be neither alienated nor supplanted. The new reading of development afforded by this perspective emphasizes the necessity of making simultaneous progress towards the realization of different rights or, at the very least, it implies that progress towards the realization of one right should not entail a lessening of commitment to others.

6. This approach to the subject of development from the point of view of the rights of peoples is the first fundamental, qualitative addition to have come out of the integration of the human rights perspective with the right to development in the consideration of the issues raised by this debate. This important dimension will inevitably govern every approach to the subject of equitable development and all the principles that help guide the development process at the national and international levels.

7. The Working Group discussed this aspect at its third session. The comments of one participant were set out in paragraph 52 of the report on that session (E/CN.4/2002/28/Rev.1):

> "(c) ... If the international dimension of the right to development is lost, the right to development risks becoming the implementation [at the national level] of development programmes within a human rights framework;
>
> "(d) ... The international dimension of the right to development has two aspects: the creation of an enabling international environment for the implementation of the right; and development assistance, either bilateral or multilateral. Development assistance cannot replace multilateral action to establish a just and democratic international order;
>
> "(e) The distinguishing element of the right to development, therefore, is an enabling international environment and a just and equitable international system that is favourable to development. Greater attention needs to be given to this element of the right to development;
>
> "(f) To this end, the participant urged the independent expert to submit the preliminary study requested of him by the Commission on Human Rights in its resolution 2001/9. Further, the participant urged international organizations to inform the Working Group of their work concerning a just and equitable international environment for development, including work on obstacles to the realization of this element of the right to development."

8. We believe that these ideas reflect the sentiments expressed in the Declaration on the Right to Development, the text of which is even more explicit:

> "... development is a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the well-being of the entire population and of all individuals on the basis of their active, free and

meaningful participation in development and in the fair distribution of benefits resulting therefrom" (second preambular para.);

"... efforts at the international level to promote and protect human rights should be accompanied by efforts to establish a new international economic order" (fifteenth preambular para.);

"The human right to development also implies the full realization of the right of peoples to self-determination, which includes, subject to the relevant provisions of both International Covenants on Human Rights, the exercise of their inalienable right to full sovereignty over all their natural wealth and resources" (Article 1, para. 2);

"States have the duty to take steps, individually and collectively, to formulate international development policies with a view to facilitating the full realization of the right to development" (Article 4, para. 1).

9. In short, we regard the international dimension of the right to development and its characterization as a right of peoples as a basic starting point and an approach we will rely on for our assessment of the work done by the Working Group and the discussion of the importance of equity in giving effect to this right.

The concept of equity

10. The concept of equity lies at the heart of the concept of human development, being one of the key components that distinguish it sharply from traditional theories about economic growth and development. The term "equity" is being used here instead of the terms "equality" and "justice", which are more closely associated with the dominant social discourse of the past.

11. The concept of equity differs from these two other concepts in that it focuses on equality of opportunity, resources and inputs, as opposed to results and outputs. It also conforms to the principle that the individual bears responsibility for making the best of opportunities. Thus, it does not run counter to the current trend towards downplaying the role of the State, which, hitherto, has borne virtually exclusive responsibility for guaranteeing citizens their basic needs and ensuring justice among them.

12. By choosing the concept of equity, as opposed to those of equality and justice, the architects of the concept of human development were trying to draw a distinction between them. The term "equality" emphasizes as a final goal and outcome the realization of equality between people, regardless of their differing abilities and needs. It ultimately calls for equal standards of living for everyone, an aim that governs the entire logic of work and of intervention and economic and social policies. It also paints an idealized picture that is virtually impossible to realize. The term "justice", on the other hand, acknowledges this "beatific" dimension in the term "equality", and so it focuses instead on equal rights, adding a touch of relativism and realism. As a result, equality is no longer a perfect synonym for justice, but takes on a meaning that does not necessarily require that people are equal in regard to their actual circumstances of life. The concept of justice, as conceived and practised over the centuries, is rooted in a belief in equality of rights that takes account of the effective differences between people, rejects in principle the notion that disparities are immutable and implies a continuous striving towards the ultimate aim of eliminating such disparities.

13. However, for all the realism embodied in the concept of justice, which has changed and simplified the way equality is viewed, the term "equity" has been chosen, perhaps out of a desire to avoid the obvious connotations suggested by the term "justice" (and, by extension, "equality") and to capitalize on the more subtle nuances which the term "equity" conveys.

14. When it comes to defining its meaning, the term "equity" leaves plenty of scope for discretion and subjectivity, because neither theoretical output nor practical experience has provided us with a large enough legacy to help us determine sufficiently clearly what the boundaries and criteria are for deciding what is equitable and what is not, especially on the international front and in the light of current circumstances. We will therefore give the term "equity" a meaning that is close to the concept of (social, economic and political) justice on the domestic front and, in the domain of international relations, to the concept of justice and equal rights to participation and democracy in the political, economic and other spheres.

15. It is this reading of equity that we shall use to examine the question of the relationship between equity and the right to development at the international and national levels. However, it must be said that our starting point is the perspective of a country that belongs to a group of States with a medium level of development. Inevitably, this has a direct impact on the way we view this subject.

International and national responsibilities for impairment of the development process

16. By adopting the principle of international equity, one undertakes to identify, in an objective manner, where international and national responsibilities lie for the hampering of the development and poverty eradication processes and for failure to abide by the goals announced at global conferences. However, the principle of objectivity is often ignored in the literature, in stated positions and, especially, in actual practice.

17. There is a general tendency today to ask Governments to carry too many responsibilities, without acknowledging that the old-fashioned view of the State's role in development is no longer valid; because of globalization, national Governments no longer have the same tools or resources at their disposal as they once had. Yet, while no mention is made of international responsibilities, or the role played by the global economy and its mechanisms and tools, or the part played by the current political system and the system of governance in the modern world, responsibilities which these systems do have, Governments are blamed for issues, difficulties and problems that are primarily created in the international arena. This kind of approach is neither objective nor fair, especially to developing countries, which have very little say in the fundamental decisions taken on the international stage and yet are blamed for hampering the development process, while underlying international inequities go unmentioned.

18. Hence, the adoption of the principle of international equity necessarily begins with a commitment to objectivity and to the principle of symmetrical responsibility for decisions and actions and the consequences arising therefrom. Accordingly, and if the prevailing trend continues of bringing pressure to bear to limit the political and economic role of the State and shift the centre of decision-making away from the public (government) sector to the private sector (due to generalized privatization) and from the national (domestic) level to the international level (due

to globalization), one cannot expect national Governments to go along with these directives or to accept social and development responsibilities for matters which they have no hand in shaping or deciding. If the economic and political role of national Governments is to be reviewed, then so too must be the social role they play. One cannot reduce the first and increase the second. Moreover, the process of convergence to which globalization gives rise has the direct effect of limiting the control national Governments have over all elements of decision-making, in that it forces them to shape their national policies to suit global institutions. This must go hand in hand with the assumption of greater social, economic and development responsibilities by these global institutions, at the expense of those borne by Governments.

International responsibility according to the recommendations of the Working Group

19. This question must be addressed by reviewing certain of the recommendations and formulas put forward by international institutions concerned with development, including the recommendations issued by the Working Group on the Right to Development, which do not fully reflect the views and ideas contained in the independent expert's report and discussed by the members.

20. The recommendations relating to international responsibilities and international obstacles to development are formulated in a general way under the rubric of items requiring further study and a more profound analysis of the results of existing policies, as if there had not been enough time to determine what the adverse effects of these policies are. For example, the first conclusion contained in the Working Group's report affirms "the need for an international environment which is conducive to the realization of the right to development" (E/CN.4/2002/28/Rev.1, para. 95), without specifying what elements such an environment ought to have. In addition, in paragraph 96 the Working Group "reaffirms the critical importance of identifying and analysing obstacles impeding the full realization of the right to development at both the national and international levels". The Working Group goes on to ask the independent expert to elaborate on his study in the light of the additional input it has provided him. Again, this seems to imply that no studies or conclusions regarding the obstacles to the realization of the right to development have yet been produced as a basis for recommending different, new or alternative options or policies. We believe this is not only inaccurate, but signals a reluctance to get to the heart of the matter, since a not inconsiderable number of studies — some of them produced by international institutions — highlight the injustice of the global system and the need to change or revise some of the goals that have been adopted, particularly in the economic domain, in the light of the adverse effects they are having on development and the right to development.

Equity and globalization

21. One of the most important components of international equity lies in the answer to the following question: is the current formula of globalization equitable or just?

22. The answer to this question largely defines the real substance of the equity and justice which the global economic system in particular intends to achieve. Generally speaking, the proposals contained in global (and national) recommendations

contradict one another in this domain. The prevailing view is characterized by a piecemeal analysis that fails to integrate the conclusions produced by different disciplines (history, economics, sociology, political science and so on).

23. We should like to begin by pointing out that, in common usage, globalization has two different meanings. In the first, it is the overall result of global interdependence in a variety of spheres. It is the expression of an objective shift towards global standardization brought on by scientific and technological advances, the expansion of communications and the evolution of culture and values.

24. In the second, globalization primarily refers to economic globalization, as driven by the policies of the Bretton Woods institutions, the World Trade Organization and the interests of multinational corporations and the major industrial powers. These are the real economic and political decision makers, which create institutions to implement policies that have already been decided.

25. The modern world is polarized between a rich, well-educated minority that makes the decisions and a poor, uneducated and marginalized majority. According to the *Human Development Report 1999*, produced by the United Nations Development Programme (UNDP), the richest 20 per cent of the world's population commands 86 per cent of the world's gross domestic product, 82 per cent of its exports of services and goods and 68 per cent of its foreign direct investment, and constitutes 93.3 per cent of Internet users. According to these same indicators, the shares of these items commanded by the poorest 20 per cent of the people in the world amount respectively to 1 per cent, 1 per cent, 1 per cent and 0.2 per cent. However, it must be pointed out that this disparity is not the result of a status quo inherited from the past; rather, the mechanisms which drive the global system merely exacerbate this polarization, widening the gap between the rich and the poor, both in the world at large and in every country. In other words, if the world continues to evolve according to the pattern of development which these mechanisms have created in recent decades, particularly since the beginning of the 1980s, the prospects for a future world that is more just and secure do not look promising; indeed quite the reverse.

26. It must be said that contemporary globalization is neither an impartial nor a neutral expression of an objective process of global convergence engendered by scientific and technological advances, the expansion of communications and development of culture and values. In short, contemporary globalization is not an expression of an objective context of cultural development and of the interests of mankind and all peoples on earth. It is a particular version of globalization that has been fashioned wholly by one side in the modern world and imposed to a greater or lesser extent on all peoples throughout the world. Contemporary international relations are largely characterized by a lack of justice and balance and by limited participation in global decision-making. The contemporary world is also characterized by the spread of the phenomena of isolation and marginalization, sometimes over entire continents, as in the case of Africa, for example, or to other parts of the world, including the Arab world, which has been saved from this fate only by the presence of oil in the region.

27. Globalization is a comprehensive process affecting economic, political, informational, cultural, social and legal trends. Moreover, these trends are generally decided by centres of power, without any real involvement on the part of the vast majority of the peoples of the world. Globalization does not advance

simultaneously on all these fronts. While the mechanisms and tools of economic globalization and of the globalization of information, required to reshape cultural and consumption patterns in a manner consistent with the outputs of advanced economies, have reached a high degree of maturity and developed at a very rapid pace, the tools for regulating global policy are still too rudimentary to be able effectively to manage conflicts and political tensions. They therefore tend towards increased hegemony and unilateralism. Similarly, the product of cultural value systems either does not keep pace with these developments or it conflicts with them, because of their retreat from the human and social values produced by human civilization. This dissonance creates further problems and complications in our contemporary world, of which the examples are just too numerous to mention.

28. It follows from the foregoing that, when talking about the impact of globalization on human development, one is in fact talking about the impact of the hegemonic nature of globalization today, particularly economic globalization, on the situation of peoples, societies and individuals. In this context, it is possible to look at elements that contradict or conflict with human development, both in terms of first principles and goals and in terms of their economic and social impact on people.

29. UNDP devoted its *Human Development Report 1999* to the subject of globalization, calling for what it described as "globalization with a human face". The report defined a set of points of divergence between the current version of globalization and human development. It expressed, on page 2, the view that:

> "today's globalization is being driven by market expansion — outpacing governance of these markets and their repercussions for people ...
>
> "Competitive markets may be the best guarantee of efficiency, but not necessarily of equity ... and markets are neither the first nor the last word in human development ...
>
> "When the market goes too far in dominating social and political outcomes, the opportunities and rewards of globalization are spread unequally and inequitably — concentrating power and wealth in a select group of people, nations and corporations, marginalizing the others. When the market gets out of hand, the instabilities show up in boom and bust economies."

30. Contemporary globalization is accompanied by economic hegemony over other areas and fields of human activity, all of which are governed by the logic of market mechanisms and of economic efficiency, together with inequality and the transformation of economic crises and financial downturns into a permanent feature of the global economy. Peoples pay a very high price for this pattern of growth, in terms of the pressure on employment opportunities, job security, the delivery of health care, the right to education, respect for diverse national and ethnic cultures, continuous environmental degradation, lack of political and social stability, and the dangers posed to individual security by the globalization of crime. All these phenomena, which are part and parcel of globalization in its current form, are simply the manifestation of elements that run counter to the logic, goals and priorities of human development and the pivotal notion that economies are there to serve mankind and not the other way round.

31. In a presentation on the effects of structural adjustment on human development, made at a symposium on human development in the Arab world,

Ramzi Zaki identified the following three characteristics of structural adjustment and stabilization programmes: they are restrictive in nature; they are biased in favour of capitalism; and they undermine State power. According to Mr. Zaki, the effects of these policies can be seen in the following phenomena:

(a) The deteriorating situation of the poor and people on low incomes;

(b) Rising rates of unemployment and workforce decline;

(c) Failure to meet basic needs, particularly as a result of cuts in government social spending.

32. In this sense, to Mr. Zaki it was obvious that the current policies pursued by structural adjustment and stabilization programmes had a sharp impact on human development. This assessment was not merely based on social and humanitarian considerations and the imperatives of social justice; it also acknowledged that human development had a purely economic dimension that could not be ignored in the economic development process, namely, the dimension of human productivity, which was a fundamental indicator of economic progress.

33. The criticism levelled at globalization, therefore, is not confined to the fact that it ignores the social and humanitarian dimensions, but it also includes the economic dimension, which is a key factor in economic power and success. In this connection, globalization has introduced new elements into the global economy. For example, between 1980 and 1992, in the countries of the Organisation for Economic Cooperation and Development, financial stocks grew at more than twice the rate of real economic growth. The volume of financial trading was five times that of the trade in goods and services.

34. The real economy is measured in terms of job opportunities and the rate of growth achieved in the creation of new job opportunities. The facts show that financial markets and stock exchanges experience an upturn whenever the economy stagnates or goes into decline, suggesting that there is an inverse relationship between capital growth and economic growth. There are two reasons for the existence of this inverse relationship between capital and the real economy. The first, according to a study on the profitability of the United States economy in the 1990s, is that companies make their profits first and foremost from the depression of wages and not from higher productivity or higher investment. Between 1989 and 1994, there was no improvement in wage levels for 80 per cent of men and 70 per cent of women. The second reason is that capital profits widen income distribution and wealth differentials. In this sense, profits are realized at the cost of inequitable distribution.

35. This inverse relationship between capital and the economy is not confined to the United States of America, but is a global phenomenon. Every time capital grows, the international economy goes into recession. In this sense, the impact of this dimension of globalization is to spread economic recession throughout all parts of the world.

36. According to the World Bank's *World Development Report 1992*, the growth rate of the per capita share of world gross domestic product between 1965 and 1990 amounted to 1.5 per cent per annum. However, the corresponding figure for the period 1980 to 1992 was only 1.2 per cent. This means that the growth rate was lower during the period when technology and capital growth was at its highest. In

his article "Globalization: myth vs. reality", Ramesh Diwan concluded that the spread of new technology was a response to economic recession and not a factor in the growth of the international economy.

37. Thus, it cannot be argued that globalization has led to real economic prosperity, other than for a limited number of corporations and States with the capacity to control global economic decisions. As for the second pretext used to defend globalization, namely, that the integration of the global system is likely to reduce the disparity between countries, there is no evidence to show that this assertion is true either.

38. Orthodox neo-liberal theories claim that integration of the global market will have positive consequences for developing countries, through a process known as standardization and convergence, whereby the removal of barriers to external trade and the movement of global capital, even without the free movement of manpower, will strengthen the tendency towards price, production and income factor equalization with the passage of time. If these theories do not claim that there will be perfect equality, they do assert that there will be a tendency for global disparities to be reduced and that this will benefit developing countries and the poor.

39. However, the facts do not fit with the neo-liberal model. The relative price structure between the industrial and the developing world continues to show marked differences, with prices of services being high in the former and prices of basic foodstuffs high in the latter. The gap in global income distribution has increased, while income and wealth differentials within these same countries have become more polarized. According to a 1997 report produced by the United Nations Conference on Trade and Development, as the pace of globalization picks up, the differences in individual income distribution increase and sharpen, and, moreover, economic theories are patently at odds with the facts.

40. A 1998 UNDP paper entitled "Globalization, uneven development and poverty", by David Woodward, said that the notion that globalization and global market integration would lead to standardization and convergence was mistaken, and that there was a need for a more appropriate alternative model that was consistent with empirical data.

"Good governance"

41. The term "governance", or "good governance", is one of the most ambiguous concepts used in the development literature. It should therefore be studied with a cooler and more critical eye than any other concept.

42. However, a series of other reservations need to be made with regard to the way the concept is now being used in global management of the development process, particularly the management of North-South relations. Some of the most important of these reservations are listed hereunder:

(a) The concept of good governance has become a form of political conditionality in international relations, particularly in North-South relations. In practice, donor countries and international financial institutions refuse to provide development assistance, to reschedule debts or to facilitate economic and trade relations with the countries of the South so long as those countries do not embrace the principles of proper governance, which, according to the countries of the North, mean the adoption of free trade and structural adjustment policies, privatization, a

lesser role for the State, uncritical integration into the structures and mechanisms of the global economy, the eradication of corruption and, finally, the war against terrorism. None of these considerations are objective, but, rather, are the product of specific political, economic and ideological choices that are largely incompatible with the interests of developing countries and with the realization of development in those countries and the world;

(b) The role of governance or management of the development process as a factor adversely affecting the development process itself is exaggerated. It is then used as a pretext for failing to adopt real policies aimed at overcoming fundamental development problems. This is particularly true when it comes to the question of the eradication of poverty at the global level. In this area, what has happened is that the centre of attention has gradually been shifted from eradicating poverty, by modifying economic policies and fully integrating them with radical social policies, and towards administration and governance. The result is that the brunt of the responsibility for causing poverty has been shifted from the larger policies pursued at the planetary (and national) levels and placed solely on the shoulders of national Governments in the South, implying that these countries lack the requisite know-how to manage their own societies and the poor by themselves. In other words, these people are poor because they do not know how to become rich by making the most of the opportunities globalization offers. With this pretext, poor administration is turned into the primary cause of poverty in the world, while good governance is presented as its only remedy. The huge disparities in the global and national economies, the main cause of poverty, are therefore ignored;

(c) As often as not, governance itself is turned into a series of superficial, technical measures which overlook the real changes taking place in the substance and form of the relations by which society is governed and run. Governance is a nebulous expression that has been introduced to camouflage an open and direct demand for the introduction of political, economic and social democracy as a sine qua non for development. This change is not innocent, but, rather, shifts the centre of attention to the amendment of legislation to favour economic liberalism, the expansion of the market as a mechanism for "democratization", modernization of administration, communication via the Internet and an end to administrative corruption which is rife at the "popular" level. It may also include the holding of free and fair elections (in the technical sense at best), the alternation of power, and so on. However, this concept ignores the basic principle that real democracy can be said to exist only when there is accountability and the alternation of power between social and political alliances with differing agendas, when the power structure is constructed on a broad social base, when there is recognition of the real independence of civil society and of political pluralism, and, above all, when there is recognition of the rights of citizens and the sovereignty of the law in the real meaning of the term. Moreover, it must not neglect the social dimension, particularly as regards all forms of discrimination against women (a basic problem in Arab countries), the rights of people to self-determination and to freedom from occupation, and the rights of minorities and migrant workers (including, of course, those of Arab workers in Arab countries). In practice, these critical and fundamental issues are not found in the current concept of governance and none of their components ever come to the surface, unless someone wants to use one to impose political conditions on a State or group of States in the South.

Good governance: the free market and State intervention

43. The prevailing concept of good governance is effectively slanted in favour of liberalization of market relations, viewed as a prerequisite for good governance according to an ideology that insists on regarding the State as a mechanism that is incapable of overcoming bureaucratic corruption and backwardness. The fact that this concept endorses uncritically the principle of participation by the private sector and other economic agents in the development arena may lead to the promotion of particular choices that are incompatible with the concept of sustainable human development.

44. According to the concept of sustainable human development, the development model based on State intervention and that based on the free market are both in crisis. Hence, any contest based on a comparison of the relative merits of the market with those of the State is both misguided and futile.

45. Historical experience has shown that State models cannot survive over the long term and that they have failed in actual practice. Likewise, the market and market mechanisms take no account of the interests of the poor, nor do they satisfy the need for environmental renewal. Hence, the market model cannot be sustained in the long run either. As stated by De Vilder, the market system is merely an open subsystem within a global ecosystem. It is therefore incapable of regulating itself while meeting the needs of the global system as a whole. This deficiency, coupled with the impact of internal forces which push for the continuing expansion of the market system, weakens the capacity of market mechanisms to achieve sustainability by themselves.

46. Much of the literature has defended the need for State intervention to compensate for the shortcomings of the market when it comes to dealing with such issues as equity, gender equality, environmental protection, and so on. For this reason, again in the words of De Vilder, the policies that promote the idea of sustainable human development presuppose the existence of a strong public sector, without implying the need for big government. Hence, the legitimacy of the overall role of the public sector is acknowledged and the focus on the limitations of market mechanisms is given greater importance to the extent that priority is accorded to human development.

47. In response to this contest, the concept of sustainable human development suggests an entirely new comparison. Mahbub ul Haq wrote that to suppose that there exists a conflict between the State and the market is both mistaken and dangerous; priority must be given to empowering people to guide the State and the market so that they both serve human beings. The State and the market are means, but they are not ends in themselves. They must be steered towards increasing the prosperity of people. The correct approach, as formulated by the United Nations Research Institute for Social Development, would be to reap the positive benefits of the interplay between economic and social forces in society rather than increasing the destructive potential for obtaining a negative outcome through the simultaneous obstruction of the forces driving market mechanisms.

48. If the development process is to be managed successfully, society must be empowered to deploy all the social development tools it has produced throughout history to achieve its goals. This equally applies to civil society institutions that wish to play a greater part in decision-making. It implies, first of all, that the State

and its mechanisms provide an important array of tools, facilities and mechanisms produced by society to run its own affairs and all of which must be used for development. The market is a submechanism which society has created in order to manage the economy. It goes without saying that development cannot be achieved by marginalizing the role of the State (the most important mechanism), nor by subordinating it and society to a submechanism (the market) which caters to the interests of discrete sectors of society. All the talk about promoting civil society institutions in decision-making must be coupled with efforts to encourage these institutions to become involved in national policies, the State and its mechanisms, and policy as the highest expression of decision-making. The role of civil society should not be relegated to the lower ranks, particularly if the role they play in influencing national development is marginal. True participation lies in influencing real centres of decision-making and not in distracting civil society institutions and the private sector with a search for multiple structures offering wider participation that lack any real substance.

49. It is worth pointing out that the dominant trend today is to interpret global governance in such a way as to marginalize the role of the United Nations in favour of the international financial institutions. This subjugation to the triumvirate of the World Trade Organization, the International Monetary Fund and the World Bank, which defend the interests of multinational corporations, places developing countries under strong and unfair pressure to comply with the strict conditions associated with global trade liberalization and liberalization of the economic and financial sectors at a time when they are not able (or willing) to oblige advanced industrial nations and multinational corporations to comply with any of these conditions, nor indeed with any other condition relating to social and environmental responsibilities at the global level or in the countries in which they operate. This is a further example of the flagrant bias inherent in the prevailing concept of good governance.